UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

For: State and County Offices

Processing 2002 Peanut Loans and Loan Deficiency Payments (LDP's) Using APSS Software Included in Special County Release No. 495-S1

Approved by: Deputy Administrator, Farm Programs

1 Overview

A
Background

The Farm Security and Rural Investment Act of 2002, Section 1201(a) provides for **nonrecourse** Marketing Assistance Loans and LDP's to producers of 2002 and subsequent crop year peanuts.

2002 and subsequent crop year peanut Marketing Assistance Loan gains and LDP's are subject to a separate $75,000 payment limitation (PLM) for peanuts, honey, wool and mohair.

Special County Release No. 495-S1 mailed October 7, 2002, provided software to process peanut loans and LDP's.

B
Purpose

This notice provides instructions for processing 2002 and subsequent crop year peanut loans and LDP's.

> **Important:** Instructions for processing loan repayments, and for processing payments to warehouses, will be provided in a future notice when software for those purposes is available.

> **Note:** This notice does **not** provide authority to issue marketing assistance loans or LDP's for pulse crops. Authority to disburse marketing assistance loans and LDP's will be provided in a future LP notice.

Disposal Date	Distribution
June 1, 2003	State Offices; State Offices relay to County Offices

1   Overview (Continued)

C
Contact   State Offices shall direct questions about this notice to Julie Floriani by:

- telephone at 202-720-8374
- e-mail at **julie_floriani@wdc.usda.gov**.

2   Basic Nonrecourse Loan and LDP Program Information for Peanuts

A
Loans and Loan   2002 and subsequent crop year peanuts shall be processed as **nonrecourse** loans
Rate   for which market loan repayments can be processed at less than the loan rate.

The loan rate for 2002 and subsequent crop year **nonrecourse** loans will be set by the National Office and are listed in subparagraph B.

B
County-   The County-Maintained Table File accessed on Menu PAA010 has been revised
Maintained   and enhanced to allow for entering and printing of loan rates and offer shipping
Table Files   rates.

Loan rates shall be entered for the following **types** of peanuts:

- Virginia
- Runner
- Southeast Spanish
- Southwest Spanish
- Valencia.

2   Basic Nonrecourse Loan and LDP Program Information for Peanuts (Continued)

**B
County-
Maintained
Table Files
(Continued)**

The following is an example of revised Screen PAA78010.

```
                              PAA78010
PRICE SUPPORT - ADMINISTRATIVE ACTIVITY        VERSION:AC48

            UPDATE COMMODITY LOAN RATE TABLE      XX  - XXX
                        For Crop Year XX


        PEANUTS                 DOLLARS
                                (Per Ton)


        Virginia                _____
        Runner                  _____
        Southeast Spanish       _____
        Southwest Spanish       _____
        Valencia                  _____


Press "Enter" To Continue      Cmd3=Previous Screen      Cmd7=End of Job
```

The announced loan rate for Spanish peanuts shall be entered as the loan rate for both Southeast and Southwest Spanish.

The 2002 crop year base National loan rates to be entered on Screen PAA78010 are as follows.

Type	Loan Rate
Virginia	353.66
Runner	355.72
Southeast Spanish	337.20
Southwest Spanish	337.20
Valencia	353.66

Peanut offer shipping rates shall be entered for:

- warehouse storage
- warehouse "load in" charges
- warehouse "load out" charges.

Continued on the next page

2   Basic Nonrecourse Loan and LDP Program Information for Peanuts (Continued)

**B
County-
Maintained
Table Files
(Continued)**

The following is an example of revised Menu PAA79000.

```
        083-LEFLORE                    PAA79000
PRICE SUPPORT - ADMINISTRATIVE ACTIVITY   Version: AC48  08-08-02 13:39 Term F0
-----------------------------------------------------------------------------------------
                 UPDATE SHIPPING RATE TABLE SELECTION

        1. Grain Offer Shipping Rates    4. Cotton Offer Shipping Rates

        2. Honey Offer Shipping Rates    5. Oilseed Offer Shipping Rates

        3. Rice Offer Shipping Rates     6. Peanut Offer Shipping Rates


                    Enter Option Number
               Do you want to Update or Delete?  (U or D)

           To update or delete the Offer Shipping Rate Table for
              another State and County, enter the codes below.
                 State Code   28     County Code   083

Press "Enter" To Continue    Cmd3=Previous Menu    Cmd7=End Of Job
```

The following is an example of revised Screen **PAA79035**.

```
        083-LEFLORE                    PAA79035
PRICE SUPPORT - ADMINISTRATIVE ACTIVITY  Version: AC48  08-08-02 13:47 Term F0
-----------------------------------------------------------------------------------------
                          28 - 083

        PEANUT WAREHOUSE RATES FOR WAREHOUSE CODE    XXXXXX

               EFFECTIVE DATE    XX-XX-XX

      SERVICES                              RATE

  "Load In" Charges                       ---------

  "Load Out" Charges                      ---------

  Storage Rate                            ---------

Press "Enter" To Continue   Cmd3=Previous Menu   Cmd7=End Of Job
```

The 2002 peanut offer shipping rates will be provided in a future LP notice.

2   Basic Nonrecourse Loan and LDP Program Information for Peanuts (Continued)

C
Commodity
Abbreviation
and Types of
Peanuts

The following commodity information for peanuts has been added to the Commodity Abbr. Table (TPL055).

Class Abbreviation		Accounting Commodity Code	Measurement Weight
Type	**Abbr.**		
Runner	RUN	PNUT	Tons
Southeast Spanish	SPE		
Southwest Spanish	SPW		
Valencia	VAL		
Virginia	VIR		

D
Interest

Interest will accrue in the same manner as for all other nonrecourse loans.

E
Service Fees

The loan service fee for nonrecourse loans shall be the smaller of the following:

- ½ (.005) of 1 percent times the gross loan amount
- $45 per loan, plus $3 for a lot over 1.

F
Final Loan
Availability Date
and Loan
Maturity

The final loan availability date for peanuts will be **January 31 of the year following harvest. Loans mature on demand, but no later than the last day of the ninth calendar month following the month in which the Note and Security Agreement was approved**.

G
LDP's

2002 and subsequent crop year peanuts are eligible for LDP.

2   Basic Nonrecourse Loan and LDP Program Information for Peanuts (Continued)

H
Program Codes

Program code for 2002 and subsequent crop years for peanut:

- nonrecourse loans is **"XXPNUTLN"**
- **LDP's is** "XXLDPPNUT"**.**

I
Assessments and
Promotion Fees

Assessments and promotion fees will **not** apply to 2002 and subsequent crop year peanut loans or LDP's.

J
Assignment

Assignments **will** apply to 2002 and subsequent crop year peanut LDP's.

K
Commodity
Certificate
Exchange

Commodity certificate exchanges **will** apply to 2002 and subsequent crop year peanut loans.

3 Processing Nonrecourse Peanut Loans and LDP in APSS

A
Loan and LDP
Processing

APSS has been modified to allow for processing peanut:

- loans as:

  - farm-stored measured
  - farm-stored regular certified
  - warehouse-stored regular

- LDP's using:

  - farm-stored and warehouse-stored certified quantities
  - receipted warehouse-stored quantities
  - load summary sheet and scale ticket quantities
  - field-direct certified and production evidence quantities.

Until 2-LP Peanuts is amended, County Offices shall follow:

- 12-PS for general instructions for processing peanut loans and LDP's
- this notice for automation instructions specific to peanut loans and LDP's.

3   Processing Nonrecourse Peanut Loans and LDP in APSS (Continued)

B
"Date
Documents
Received" Date

Screen PLC10005 will allow for entry of the "Date Documents Received" date. This date will be used to calculate storage credit for repayments.

The "Date Documents Received" date shall be determined as the later of receipt of:

•   application
•   warehouse receipt
•   other applicable documents, such as lien waiver.

The following is an example of Screen PLC10005 for entering "Date Document Received" date.

```
              017 - CHICOT                              PLC10005
  PRICE SUPPORT - LOAN MAKING         VERSION: AC 46      09-03-02


   Peanut Farmer                          CY 02 LOAN# 20 COMM PNUT


   Fill in the following information for this loan:


   Date Documents Received (MMDDYY)          _____




   Press "Enter" To Continue        Cmd3=Previous Screen    Cmd7=End of Job
```

Note: Storage credits apply to warehouse-stored peanut loans only.

3   Processing Nonrecourse Peanut Loans and LDP in APSS (Continued)

C
Premiums and
Discounts

APSS will apply premiums and discounts to warehouse-stored loans to calculate an adjusted loan rate.

Exhibits 1 through 3 provide tables for:

- SMK and SS premiums and discounts for each type peanut

- premiums for:

    - other kernel
    - ELK, for Virginia peanuts **only**

- discounts for:

    - damage
    - foreign material
    - sound splits.

D
Calculating Loan
Amounts

Peanut loan amounts will be calculated as follows:

- for farm-stored loans, loan **quantity** multiplied by the **average loan rate** for the applicable type peanut

- for warehouse-stored loans:

    - the adjusted loan rate will be calculated for:

        - Segment 1 peanuts by applying premiums and discounts to the average loan rate for the applicable type peanut

        - Segment 2 or 3 peanuts by multiplying 35 percent times the base loan rate for the applicable type peanut; no additional adjustments shall be applied for premiums and discounts

    - the adjusted loan rate multiplied by the loan quantity.

3 Processing Nonrecourse Peanut Loans and LDP in APSS (Continued)

E
Calculating LDP Amounts

Warehouse-stored and farm-stored peanut LDP's will be calculated as follows:

- the LDP rate shall be determined as the difference between the National Posted Price for the applicable type peanut and the average loan rate for the applicable type peanut

- multiply the LDP rate times the LDP quantity.

F
Printing Loan and LDP Documents

The following computer generated forms will be printed on the user select printer for:

- loans:

  - CCC-677, "Farm Storage Note and Security Agreement"
  - CCC-678, "Warehouse Storage Note and Security Agreement"

- LDP's, use CCC-700, "Loan Deficiency Payment Statement".

Note: County Offices shall make pen and ink changes to CCC-677 according to Notice LP-1857, Exhibit 1, until software modifications are made to this form.

4   Monitoring Separate Price Support Payment Limitation

A
Two Separate
Price Support
Payment
Limitations

Beginning with 2002 crop year, the following APSS subsystems shall monitor 2 separate PLM's for "**market gain**" received through:

- marketing assistance loans
- LDP's.

Revised price support PLM files for Crop Year 2002 and subsequent crops years are as follows.

- "REG-PS", stands for regular PLM, and applies to all commodities except peanuts, honey, wool, and mohair. The PLM maximum is $75,000.

- "OTH-PS", stands for other PLM, and applies to peanuts, honey, wool, and mohair. This PLM maximum is $75,000.

Note: The above PLM's mean that 1 producer can receive up a maximum of $150,000 through a combination of gains through both PLM's.

Peanut Discounts

Damage	
Percent	**Deduction**
1	None
2	$3.40
3	$7.00
4	$11.00
5	$25.00
6	$40.00
7	$60.00
8	$80.00
9	$80.00
10 & Over	$100.00

Foreign Material	
Percent	**Deduction**
1	None
2	None
3	None
4	None
5	$1.00
6	$2.00
7	$3.00
8	$4.00
9	$5.00
10	$6.00
11	$7.00
12	$8.50
13	$10.00
14	$11.50
15	$13.00
Above 15%	$13.00 + $2.00 for each % over 15%

Sound Splits	
Percent	**Deduction**
1	None
2	None
3	None
4	None
each % over 4	$0.80

SMK and SS Premiums and Discounts for Peanuts

SMK + SS	Virginia	Runner	Spanish	Valencia
84		54.28	70.79	78.10
83		49.40	65.93	72.96
82		44.52	61.07	67.82
81	49.64	39.64	56.22	62.68
80	44.66	34.76	51.36	57.54
79	39.68	29.88	46.50	52.40
78	34.70	25.00	41.65	47.26
77	29.72	20.12	36.79	42.12
76	24.74	15.24	31.93	36.98
75	19.77	10.36	27.08	31.84
74	14.79	5.47	22.22	26.70
73	9.81	0.59	17.36	21.56
72	4.83	-4.29	12.50	16.42
71	-0.15	-9.17	7.65	11.28
70	-5.13	-14.05	2.79	6.14
69	-10.11	-18.93	-2.07	1.00
68	-15.09	-23.81	-6.92	-4.14
67	-20.07	-28.69	-11.78	-9.28
66	-25.05	-33.57	-16.64	-14.42
65	-30.03	-38.46	-21.49	-19.56
64	-35.00	-43.34	-26.35	-24.70
63	-39.98	-48.22	-31.21	-29.84
62	-44.96	-53.10	-36.07	-34.98
61	-49.94	-57.98	-40.92	-40.12
60	-54.92	-62.86	-45.78	-45.26
59	-59.90	-67.74	-50.64	-50.40
58	-64.88	-72.62	-55.49	-55.54
57	-69.86	-77.50	-60.35	-60.68
56	-74.84	-82.38	-65.21	-65.82
55	-79.82	-87.27	-70.07	-70.96
54	-84.79	-92.15	-74.92	-76.10
53	-89.77	-97.03	-79.78	-81.24
52	-94.75	-101.91	-84.64	-86.38

Percent Other Kernels Percent x $1.40	
Percent	Premium
1	1.40
2	2.80
3	4.20
4	5.60
5	7.00
6	8.40
7	9.80
8	11.20
9	12.60
10	14.00
11	15.40
12	16.80

Virginia Peanuts Only ELK Premium Percent Per Ton Percent ELK x $.35	
50	17.50
49	17.15
48	16.80
47	16.45
46	16.10
45	15.75
44	15.40
43	15.05
42	14.70
41	14.35
40	14.00
39	13.65
38	13.30
37	12.95
36	12.60
35	12.25
34	11.90
33	11.55
32	11.20
31	10.85
30	10.50
29	10.15
28	9.80
27	9.45
26	9.10
25	8.75
24	8.40
23	8.05
22	7.70
21	7.35
20	7.00
19	6.65
18	6.30
17	5.95
16	5.60